

Congresswoman Kaptur's statement at the Ohio Delegation press conference on April 15 highlighted critical tax relief provisions for middle class Ohioans:

For too long, some have unduly advantaged themselves thru the tax code, and they are being checked. We are standing up for the middle class and workers of our country who are struggling to make ends meet. Here's how the ARRA begins to change the tax code to make it fair to them.

If you are a Hedge Fund manager like Kenneth Griffin with the investment firm Citadel Investment Group your tax rate is only 15%, but if you are a small business like, Wixey Bakery in Toledo, Ohio, if you earn more than \$75,000 a year you are taxed at 34%. Mr. Griffin is estimated to be worth over \$3 billion, while the owners of Wixey Bakery are taxed at over twice the rate he is.

This is fundamentally unfair and those with power, money, and access do not deserve a better deal than the autoworker, the farmer, or the nurse in my district that make a median income of \$45,000 per year. They work hard and they deserve fairness in the tax system.

Through the American Recovery and Reinvestment Act we began to push back and make it fairer for small businesses and workers we represent in Sandusky, Maumee, and Amherst.

Beginning immediately small businesses with 25 or fewer employers will receive a tax credit for up to 35% of the cost of his employees' insurance premiums. This credit will increase to 50% of the employee's premium by 2014. In very real terms, this means that a construction business owner employing 5 workers in the district I represent, and currently struggles to pay over \$16,800 a year to cover his employees' insurance premiums, would be eligible for up to \$5,880 right away and up to \$8,400 soon thereafter. This translates into greater investment in

jobs.

We passed health care reform so those same small businesses can afford to pay for health insurance for themselves and their employees.

We are working away at it and beginning to level the playing field for Ohio's small businesses and families.

**Key tax provisions in ARRA for Small Businesses include:**

- With an extension of small business expensing, doubling the amount small businesses can immediately write-off their taxes for capital investments and new equipment purchases made in 2009.
- **Buying Back Debt:** Delays the tax on businesses that have discharged indebtedness, which will help companies reduce their debt burdens so they can invest in job creation.
- **Small Business Loss Carrybacks:** Increases cash flow for small businesses by providing a 5-year carryback of net operating losses (NOLs), allowing small businesses to write off losses incurred in 2008 against taxes assessed over the previous 5 years, reducing their taxes this spring.
- **Small Business Investment:** Spurs investments in small businesses by cutting the capital gains tax on investors who buy stock in small businesses and hold it for more than 5 years.

**Key tax provisions in ARRA for working families include:**

- **Making Work Pay credit:** 95% of working families are receiving this credit, which means \$400 less in taxes for individuals and \$800 less for married couples. You've probably already seen the effects of this credit in your paycheck.
- **Family tax credits:** If you're a moderate-income family, the Recovery Act increased your tax credits: the Earned Income Tax Credit is now \$5,657, and it's now easier to claim the Child Tax Credit.
- **Tax-free unemployment benefits:** Unemployment benefits are usually taxable-but if you were looking for work last year, the Recovery Act made the first \$2,400 in unemployment benefits tax-free.

